

assist the Family in defraying its payable Utility Hook-Up Charges in those instances where the Family actually incurs the expenses, by reason of a move. Allowances for Utility Hook-Up Charges shall not be applicable to families leasing the Manufactured Home Space in place. The assistance payment shall automatically be reduced by the amount of those charges at the end of the twelve months. Allowances for Manufactured Home Spaces shall not cover costs payable by an Assisted Family to cover the digging of a well or installation of a septic system.

[44 FR 65364, Nov. 9, 1979, as amended at 49 FR 19946, May 10, 1984; 50 FR 9269, Mar. 7, 1985]

Subpart G—Section 8 Certificate Program Assistance Attached to Units (Project-Based Certificate Assistance)

SOURCE: 55 FR 9257, Mar. 12, 1990, unless otherwise noted.

GENERAL

§ 882.701 Purpose and applicability.

Subpart G of this part states requirements concerning initial and adjusted Contract Rents in the Section 8 project-based certificate program. Other program regulations for the Section 8 project-based certificate program are located at 24 CFR part 983.

[60 FR 34694, July 3, 1995]

§§ 882.702–882.713 [Reserved]

§ 882.714 Initial Contract Rents.

(a) *General.* Section 882.106, *Contract Rents*, does not apply. HUD approves the initial Contract Rents for all units to which assistance is to be attached under this subpart G.

(b) *Fair Market Rent limitation*—(1) *General.* The initial Gross Rent (initial Contract Rent plus any applicable Utility Allowance) for any unit approved under this subpart G shall not exceed the published Section 8 Existing Housing Fair Market Rent in effect for the unit on the date the Agreement is executed, except as provided in paragraph (b)(2) of this section.

(See also § 882.730(b), *Contract Rents in Agreement*)

(2) *Exception rents.* (i) Upon request from a PHA, HUD may approve, on a unit-by-unit basis, initial Gross Rents that exceed the applicable Fair Market Rents by up to 10 percent. The total number of units with such rents approved by HUD under this paragraph (b)(2)(i) and by the PHA under paragraph (a)(2) of § 882.106, *Contract Rents*, may not exceed 20 percent of the number of units under ACC for the PHA's Certificate Program, unless HUD approves a higher percentage. In considering whether to grant such approval, HUD will review the appropriateness of the applicable Fair Market Rents and the relationship of estimated program costs to program objectives.

(ii) HUD may approve, upon request from a PHA, maximum initial Gross Rents for all units of a given size of up to 20 percent above the applicable Fair Market Rents within a designated municipality, county, or similar locality. Any such request must be supported by rental housing survey data that is statistically representative of rent levels for the area. In considering whether to grant such approval, HUD will review the appropriateness of the applicable Fair Market Rents and the relationship of estimated program costs to program objectives, and evidence of a market where the housing supply exceeds demand and a high rate of vacancies exists (soft market). HUD will not approve requests under this paragraph (b)(2)(ii) for units in a soft market. In no event shall a maximum Gross Rent, as approved under this paragraph, exceed the rent, including Allowances for Utilities and Other Services, determined by HUD to be the average rent currently being charged for available standard units of similar size or type in the applicable municipality or county.

(iii) On the basis of a showing by the PHA that special circumstances apply to units of a given size limited to a specific neighborhood, and by reason of these circumstances the reasonable Gross Rents for such units are as high as 20 percent above the applicable Fair Market Rents, and the units cannot be rented for less, HUD may approve Gross Rents for such units up to 20 percent above the applicable Fair Market